



**BILLING CODE: 3410-30-P**

## **DEPARTMENT OF AGRICULTURE**

### **Food and Nutrition Service**

#### **Request for Information: Supplemental Nutrition Assistance Program (SNAP) Revision of the Program and Budget Summary Statement Part B – Program Activity Statement**

**AGENCY:** Food and Nutrition Service (FNS), USDA.

**ACTION:** Notice.

**SUMMARY:** Each year, Supplemental Nutrition Assistance Program (SNAP) State agencies are required to submit the Program and Budget Summary Statement Part B, Program Activity Statement (FNS-366B) to the Food Nutrition Service (FNS) per 7 CFR 272.2(c)(ii). Information collected on this form includes fraud activity for the reporting fiscal year such as a total number of fraud referrals, investigations, prosecutions, disqualification consent agreements (DCA), administrative disqualification hearings (ADH) and ADH waivers. This form further contains data on program dollars associated with pre-certification and post-certification fraud investigations, as well as program dollars that may be recovered resulting from an ADH or prosecution. This information is reported not later than 45 days after the end of the State agency's fiscal year, which is typically August 15<sup>th</sup> for most States. FNS is contemplating proposed changes to this form in order to improve the reliability and accuracy of State integrity reporting by revising data field definitions, such as what constitutes an investigation, for clarity and consistency. FNS is also considering an increase in the frequency of reporting and would be interested in better understanding what impact increasing the reporting frequency may have on stakeholders. Furthermore, FNS is considering the addition of new data elements in order to better understand the impact and value returned to the taxpayer as a result of fraud prevention activities.

Through this notice, FNS announces a request for information regarding the impacts for consideration in revising the Program Activity Statement (FNS-366B). FNS will consider all comments in the development of the new reporting form.

**DATES:** Written comments must be received on or before (INSERT DATE THAT IS 90 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER).

**ADDRESSES:** Comments may be sent to Jane Duffield, Chief, State Administration Branch, Program Accountability and Administration Division, Food and Nutrition Service (FNS), U.S. Department of Agriculture, 3101 Park Center Drive, Room 818, Alexandria, VA 22302. Comments may also be emailed to [SNAPSAB@fns.usda.gov](mailto:SNAPSAB@fns.usda.gov). Comments will also be accepted through the Federal eRulemaking Portal. Go to <http://www.regulations.gov> and follow the online instructions for submitting comments electronically.

All written comments will be open for public inspection at the FNS office located at 3101 Park Center Drive, Alexandria, Virginia, 22302, Room 800, during regular business hours (8:30 am. to 5:00 p.m., Monday through Friday). All responses to this notice will be summarized and included in the request for Office of Management and Budget (OMB) approval. All comments will be a matter of public record.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of this request for information should be directed to Kelly Stewart at (703) 305-2425.

**SUPPLEMENTARY INFORMATION:** State agencies report annually to FNS using the Program and Budget Summary Statement Part B – Program Activity Statement (FNS-366B) per 7 CFR 272.2(c)(ii) of the Federal regulations. FNS is considering changes to the form that could include changing the reporting frequency, adding new data elements, and changing or removing current data elements. FNS is also soliciting stakeholder suggestions for establishing with State data a national cost avoidance calculation methodology, as well as obtaining input on how best to clearly define all data elements and instructions to gain consistency among States.

FNS National and Regional Office staff developed a national standardized Recipient Integrity Management Evaluation (ME) protocol which provides a comprehensive assessment of how effectively States are managing recipient fraud prevention activities and provides an opportunity for communication between FNS and State agencies. Management evaluations have allowed FNS to discuss the FNS-366B with State and local officials, gathering information about its usefulness and ease of completing the form. Based on the results of management evaluations completed to date, it is apparent that State reporting lacks consistency and the FNS-366B does not have clearly defined data elements or instructions. Due to the lack of clarity in these instructions, responses are left open to interpretation, and can and do vary among States, leading to unreliable reported data.

Further, the FNS-366B lacks certain data elements that would increase its effectiveness and provide more accurate information on the types, as well as impact, of fraud prevention activities implemented by State Agencies. FNS is considering the addition of new data elements, such as those focusing on trafficking investigations and disqualifications, in order to gather better information that allows FNS to focus fraud prevention and detection strategies where they are most needed.

FNS is also considering changes to the frequency States report the information collected on the FNS-366B. An increase in reporting frequency would allow for greater and more timely access to program data. It would help States, FNS, and other stakeholders identify trends, inconsistencies and inefficiencies earlier in each fiscal year. With more current data, States and other interested parties would be able to identify gaps and areas in need of greater attention, and allow States to respond more quickly to those gaps.

FNS is proposing to add new reporting elements to better measure the effectiveness and impact of fraud prevention activities. FNS would like to define a standard national methodology for States to determine cost avoidance from their fraud prevention activities in order to quantify a return on investment for investigations or activities that result in a finding of fraud. A cost avoidance calculation methodology would attempt to quantify program dollars that a fraud determination outcome, such as a finding of an intentional program violation (IPV), prevented from being improperly used. For example, if an investigation finds that a recipient is guilty of trafficking, by establishing an IPV, how many program dollars might have been abused if the case was not investigated or prosecuted? Related to this, FNS would like to identify a methodology to measure how quickly disqualification takes place once recipient trafficking is identified. This methodology should allow FNS to assess how quickly States investigate and remove individuals that are guilty of trafficking, while ensuring FNS rules and regulations are upheld and clients receive due process.

Finally, FNS is always mindful of the importance of balancing integrity and access. The Agency does not tolerate any level of fraud and takes an aggressive stance to work with its partners to hold guilty individuals accountable for their actions.

However, those actions cannot be taken at the expense of discouraging eligible individuals from participating in the program or violating any individual's right to due process. FNS is interested in stakeholder input regarding the types of information that might be collected to help ensure that fraud prevention strategies are not resulting in any unintended consequences that adversely impact program access. Examples include failing to advise an individual of their rights, unlawfully withholding an eligible individual's access to benefits, or using coercion to obtain a signed disqualification consent agreement.

With these general interests in mind, FNS is seeking information from stakeholders on the following particular questions:

1. What new data elements should FNS consider adding to the FNS-366B that are not currently reported?
2. Do States currently utilize or possess performance measurement methods or tools to evaluate the new data elements being suggested? If not, what evaluation tools should be developed in order to collect and/or analyze new data elements?
3. What data elements should FNS remove or revise on the FNS-366B?
4. What, if any, barriers would States have to reporting trafficking fraud as a separate category from other types of fraud?
5. How are investigations currently defined? Should investigations be separated into pre-certification investigations and post-certification investigations for reporting purposes? Why or why not? What other distinctions should be considered?
6. What barriers, if any, keep States from accurately completing the form?
  - a. Are these concerns regarding the form and/or instructions?

- b. Are there hurdles within State agencies that make reporting of data required on this form difficult?
7. Do States or stakeholders anticipate an increase in administrative expenditures or other impact if SNAP restructures the FNS-366B? If yes, please explain.
  8. How much time would be required for State agencies to adjust their systems and reporting mechanisms in order to provide different or additional information on a revised FNS-366B?
  9. How would increasing the frequency of reporting impact stakeholders? If additional costs would be part of this impact, please explain.
  10. How is this data currently used by the State and what benefit(s) does it provide?
  11. What data and methodology for calculating cost avoidance as a result of fraud prevention activities should FNS consider?
  12. What data and methodology should be considered to measure how quickly recipient trafficking suspects are investigated and disqualified in accordance with FNS rules and regulations?
  13. What data should FNS consider collecting to ensure that fraud prevention activities do not adversely impact program access?

Dated: October 8, 2014.  
Jeffrey J. Tribiano,  
Acting Administrator,  
Food and Nutrition Service.

